

Risk Management Savings (RS0)

Proposed Savings (\$ in thousands)	(\$15,000)
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Overview

Risk is a factor of everyday life. However, actions taken or not taken by governmental employees can significantly increase or decrease the exposure to risk liability faced by the city. Areas of risk range from employee accidents resulting in lost days from work, lost productivity, and disability payments to large litigation judgments or settlements.

The proposed FY 2001 operating budget provides for the creation of a new Office of Risk Management (ORM) within the Office of the City Administrator to address these issues. Specifically, ORM's mission will be to mitigate or eliminate areas of risk affecting the government, residents, employees and visitors.

ORM anticipates a significant decrease in the District's exposure to risk liabilities. Major agencies will be required to conduct basic risk assessments during FY 2000 to identify those areas where the District is at the greatest risk. The agencies will also prioritize these areas and develop plans to decrease, avoid, or eliminate these risks.

In addition, ORM will identify and implement plans to decrease disability claims and resultant payments. These activities include, but are not limited to, better training, introduction of ergonomic principles, verification of the current disability status of claimants, and establishment of a back-to-work policy to decrease employee time off from productive work. These activities will continue into FY 2001 and are expected to generate up to \$10 million in savings.

An additional \$5 million in savings is anticipated as a result of activities to reduce the number and types of claims and judgments against the District. These activities will include: (a) reviewing existing legislative requirements to determine what changes might be appropriate to take resolution of potential claims to the lowest possible location; and (b) increasing disciplinary actions taken against employees whose actions significantly increase the District's liability.

FY 2001 Proposed Operating Budget

(Dollars in Thousands)

Risk Management Savings

Object Class	FY 1999 Unaudited	Budget FY 2000	Proposed FY 2001	Variance
Subsidies and Transfers	0	0	-15,000	-15,000
Subtotal for: Nonpersonal Services (NPS)	0	0	-15,000	-15,000
Total Expenditures:	0	0	-15,000	-15,000

Authorized Spending Levels by Revenue Type:

	FTEs	Dollars	FTEs	Dollars	FTEs	Dollars	FTEs	Dollars
Local	0	0	0	0	0	-15,000	0	-15,000
Total:	0	0	0	0	0	-15,000	0	-15,000